

§ 1436.10

approve loans, subject to available funds.

[66 FR 4612, Jan. 18, 2001, as amended at 67 FR 54939, Aug. 26, 2002]

§ 1436.10 Down payment.

(a) A minimum down payment representing the difference between the net cost of the storage facility and the amount of the loan determined in accordance with § 1436.9 shall be made by the loan applicant to the supplier or contractor before the loan is disbursed.

(b) The down payment shall be in cash unless some other form of payment is approved by CCC. The down payment may be obtained by the borrower from another lending source.

(c) The down payment may not include any trade-in, discount, rebate, credit, deferred payment, post-dated check, or promissory note to the supplier or contractor.

§ 1436.11 Disbursement and assignments.

(a) Disbursement of the loan by CCC will be made after the farm storage facility has been delivered, erected, constructed, assembled, or installed and a CCC representative has inspected and approved such facility.

(b) Disbursement will be made only if the borrower furnishes satisfactory evidence of the total cost of the facility and payment of all debts on the facility in excess of the amount of the loan.

(c) Disbursement may be made jointly to the borrower and the contractor or supplier, except disbursement may be made to the borrower only if CCC determines the borrower has paid the contractor or supplier all amounts that are due and owing with respect to the facility and that all applicable liens, security interests, or other encumbrances have been released.

(d) A release of liability will be required from contractors and suppliers providing goods and services to the loan applicant.

(e) Loan proceeds cannot be assigned.

§ 1436.12 Interest and fees.

(a) Loans shall bear interest at the rate equivalent, as determined by CCC, to the rate of interest charged on Treasury securities of comparable maturity on the date the loan is approved.

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(b) The interest rate for each loan will remain in effect for the term of the loan.

(c) The loan applicant shall pay a non-refundable application fee in such amount determined appropriate by CCC, which fee may not in any case be less than \$45.

(d) For sugar-related facility loans, paragraph (c) does not apply.

[66 FR 4612, Jan. 18, 2001, as amended at 67 FR 54939, Aug. 26, 2002]

§ 1436.13 Loan installments, delinquency, and acceleration of maturity date.

(a) Equal installments of principal plus interest will be amortized over the loan term for purposes of setting a payment schedule. Installments are due and payable not later than the last day of each 12-month period of the loan, until the principal plus interest has been paid in full.

(b) Each installment may be paid in cash, money order, wire transfer, or by personal, certified, or cashier's check. Repayment shall be applied first to accrued interest and then to principal.

(c) The following actions will be taken when installments are not paid on the due date: A demand for payment shall be mailed to the debtor after the due date has passed. If the installment is not paid within 30 days of the due date or if a new due date acceptable to CCC has not been established based on a financial plan submitted by the debtor, the initial demand may be followed by two subsequent written demands at approximately 30-day intervals unless other action is needed to protect the interests of CCC. If the debtor files an appeal according to § 1436.18 of this part, collection action shall cease until the appeal process is complete, however, any payments due the debtor may be withheld and, depending on the outcome of the appeal, may later be offset and applied to reduce the indebtedness. In lieu of a foreclosure on the collateral in the case of a delinquency, CCC may permit a rescheduling of the debt or other measures consistent with the collection of other debts under the provisions of Part 1403. Alternately, CCC may implement such other collection procedures as it deems appropriate.